

By: Allen B. West

In his 2010 State of the Union Address, President Obama made a commitment to expand export opportunities for American small businesses. He spoke of the benefits of international trade, which made me optimistic about the future of U.S. exports. Unfortunately, over a year later we are still hearing the same rhetoric on trade but have yet to see any real action. The president has failed to initiate any new trade talks and despite voicing support for the U.S.'s three pending free trade agreements, he has continually declined to force action on them.

Last week the Obama administration announced additional stipulations on these agreements — which will further delay their implementation. Passing the pending free trade agreements (FTAs) as well as initiating trade talks with other nations would have a tremendous impact on American small businesses and help get our economy back on track.

U.S. exports are at an all-time high and our small businesses deserve a lot of the credit. According to the U.S. Department of Commerce, small businesses accounted for nearly 97 percent of all U.S. exporters and supported nearly four million U.S. jobs in 2007. I urge President Obama and those in the Senate to work with the House to pass these free trade agreements and continue this positive trend.

Since the U.S. negotiated its first free trade agreement in 1985, FTAs have become an integral part of U.S. trade policy. They eliminate monetary tariffs and other barriers on goods, which simplifies the exporting process and allows for greater profit margins for small businesses. The U.S. concluded trade negotiations with Panama, Colombia and South Korea in 2007, yet because of the Democrat-controlled 110th and 111th Congresses' inaction, the agreements have not been implemented.

There are consequences to our inaction. According to the United States Chamber of Commerce, the U.S. could suffer a net loss of more than 380,000 jobs and \$40 billion in lost export sales if we fail to implement these agreements. Further, Panama, Colombia and South

Korea are all negotiating free trade agreements with other nations and groups of nations, including Canada and the European Union. Once these agreements go into effect, our small business exporters will be placed at a major disadvantage.

Quite simply, passing these free trade agreements will increase the number of American jobs. With new export opportunities come new production demands, which in turn create new jobs. The International Trade Commission estimates that implementation of these three free trade agreements would increase U.S. exports by at least \$13 billion and add \$10 billion to the U.S.'s GDP. Such an increase in U.S. exports could create 250,000 American jobs.

Free trade agreements also mean leveling the playing field for American small businesses. Currently, Colombia and Panama apply tariffs of 15 percent and 7.1 percent on U.S. exports of manufactured goods and 17 percent and 15 percent on agricultural goods. In contrast, products from these two countries typically enter the U.S. market duty-free. In 2011 alone, U.S. exporters have already paid over \$3.5 billion in tariffs that would be eliminated upon full implementation of these agreements.

With the unemployment rate at almost 10% and a struggling economy, there is a need to take advantage of every opportunity that would help small businesses. In addition to their economic benefits, passing free trade agreements would provide increased national security and improve our relationships with foreign governments.

In this globalized world, free trade has become a critical component to small business growth and success. Small businesses rely on exports to increase their sales and strengthen their long-term viability. Small businesses are our job creators and hold the key to solving the country's long-term unemployment problem. We must remove these burdensome trade barriers and create an economic environment that allows small businesses to flourish.